

CONGRESSIONAL RECORD.

PROCEEDINGS AND DEBATES OF THE FIFTY-SIXTH CONGRESS.

SECOND SESSION.

SENATE.

MONDAY, December 3, 1900.

The first Monday of December being the day prescribed by the Constitution of the United States for the annual meeting of Congress, the second session of the Fifty-sixth Congress commenced this day.

The Senate assembled in its Chamber at the Capitol.

The PRESIDENT pro tempore (Mr. WILLIAM P. FRYE, a Senator from the State of Maine) took the chair and called the Senate to order at 12 o'clock noon.

PRAYER.

Rev. W. H. MILBURN, D. D., Chaplain to the Senate, offered the following prayer:

O Eternal God, rejoicing with gratitude to Thee that so many members of this body are in their places, strong in health and resolve for the responsible and onerous duties of their places, yet as the psalm of our thanksgiving rises, the heavy hand of sorrow is laid upon us as we remember the irreparable loss which this body and the country at large has sustained in the departure from earth of some of our notable members.

We recall the venerable figure of a late member of the Senate, who, looking back upon nearly fifty years of public service, had ingratiated himself into the regard, affection, and veneration of his brethren and of a large portion of the people of the country.

We recall the form and presence of the junior Senator from Iowa, taken from us and leaving a gap in his State, as well as in this body.

And now we stand with unspeakable grief by the new-made grave in the capital of Minnesota, which within the last two days has received all that was mortal of the brilliant, attractive, and serviceable senior Senator from that State. By his genius, his labor, his devotion to the interests not only of his own State, but of the whole country, and by his attractive and winsome qualities he drew the love and fixed regard of his colleagues. O Lord, the sense of our sorrow and loss is unspeakable.

Let Thy consolation come to the members of these families; let it come to the venerable father and mother as well as the wife of the Minnesota Senator.

Grant, O Lord, that the sense of our mortality may rest with becoming gravity upon the hearts and consciences of all here, and may we gird up our loins and walk reverently and humbly before Thee. Through Jesus Christ our Lord. Amen.

SENATORS PRESENT.

The PRESIDENT pro tempore. The Secretary will call the roll of the Senate.

The Secretary called the roll, and the following Senators answered to their names:

From the State of—

Alabama—John T. Morgan and Edmund W. Pettus.

Arkansas—James H. Berry and James K. Jones.

California—Thomas R. Bard and George C. Perkins.

Colorado—Henry M. Teller and Edward O. Wolcott.

Connecticut—Joseph R. Hawley and Orville H. Platt.

Delaware—Richard R. Kenney.

Florida—Stephen R. Mallory and James P. Taliaferro.

Georgia—Augustus O. Bacon and Alexander S. Clay.

Idaho—George L. Shoup.

Illinois—Shelby M. Cullom and William E. Mason.

Indiana—Albert J. Beveridge and Charles W. Fairbanks.

Iowa—William B. Allison.

Kansas—William A. Harris.

Kentucky—William J. Deboe and William Lindsay.

Louisiana—Samuel D. McEnery.

Maine—William P. Frye and Eugene Hale.

Maryland—Louis E. McComas and George L. Wellington.

Massachusetts—George F. Hoar and Henry Cabot Lodge.

Michigan—Julius C. Burrows and James McMillan.

Minnesota—Knut Nelson.

Mississippi—Hernando D. Money and William V. Sullivan.

Missouri—Francis M. Cockrell and George G. Vest.

Montana—Thomas H. Carter.

Nebraska—John M. Thurston.

Nevada—William M. Stewart.

New Hampshire—Jacob H. Gallinger.

New Jersey—John Kean and William J. Sewell.

New York—Chauncey M. Depew and Thomas C. Platt.

North Carolina—Jeter C. Pritchard.

North Dakota—Porter J. McCumber.

Ohio—Joseph B. Foraker and Marcus A. Hanna.

Oregon—George W. McBride.

Pennsylvania—Boies Penrose.

Rhode Island—Nelson W. Aldrich and George P. Wetmore.

South Carolina—John L. McLaurin and Benjamin R. Tillman.

South Dakota—James H. Kyle.

Texas—Charles A. Culberson.

Utah—Joseph L. Rawlins.

Vermont—Redfield Proctor.

Virginia—John W. Daniel and Thomas S. Martin.

Washington—Addison G. Foster and George Turner.

West Virginia—Stephen B. Elkins and Nathan B. Scott.

Wisconsin—Joseph V. Quarles.

Wyoming—Francis E. Warren.

The PRESIDENT pro tempore. Senators, sixty-eight Senators have responded to their names. There is a quorum of Senators present, and the Senate is ready to proceed with business.

SENATOR FROM VERMONT.

Mr. PROCTOR. Mr. President, I present the certificate of election of the Hon. William P. Dillingham as a Senator of the United States from the State of Vermont for the unexpired portion of the term of the late Senator Morrill.

The PRESIDENT pro tempore. The certificate will be received and the Secretary will read it to the Senate.

The Secretary read the credentials of William Paul Dillingham, chosen by the legislature of the State of Vermont a Senator from that State for the unexpired portion of the term ending March 3, 1903.

The PRESIDENT pro tempore. The credentials will be placed on file, and if there be no objection the Senator-elect will present himself to take the necessary oath of office.

Mr. Dillingham was escorted to the Vice-President's desk by Mr. PROCTOR, and the oath prescribed by law having been administered to him, he took his seat in the Senate.

NOTIFICATION TO THE HOUSE.

Mr. PLATT of Connecticut submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled, and that the Senate is ready to proceed to business.

NOTIFICATION TO THE PRESIDENT.

Mr. HOAR submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That a committee consisting of two Senators be appointed, to join such committee as may be appointed by the House of Representatives, to wait upon the President of the United States and inform him that a quorum of each House is assembled, and that Congress is ready to receive any communication he may be pleased to make.

The PRESIDENT pro tempore appointed as the committee Mr. HOAR and Mr. COCKRELL.

HOUR OF MEETING.

Mr. ALLISON submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian until otherwise ordered.

RECESS.

Mr. HALE (at 12 o'clock and 15 minutes p. m.). Mr. President, as no business can be done until the committee which has been appointed reports, I move that the Senate take a recess for forty minutes.

The motion was agreed to; and at the expiration of the recess (at 12 o'clock and 55 minutes p. m.) the Senate reassembled.

Mr. ALDRICH. I move that the Senate take a further recess until 1 o'clock and 45 minutes p. m.

The motion was agreed to; and at the expiration of the recess (at 1 o'clock and 45 minutes p. m.) the Senate reassembled.

MESSAGE FROM THE HOUSE.

Mr. WILLIAM J. BROWNING, the Chief Clerk of the House of Representatives, appeared below the bar of the Senate and delivered the following message:

Mr. President, I am directed by the House of Representatives to inform the Senate that a quorum of the House of Representatives has appeared, and that the House is ready to proceed to business.

Also, that a committee of three members had been appointed on the part of the House of Representatives to join the committee already appointed by the Senate to wait upon the President of the United States and inform him that a quorum of each of the two Houses had assembled, and that Congress was ready to receive any communication he might be pleased to make, and that Mr. PAYNE of New York, Mr. GROSVENOR of Ohio, and Mr. RICHARDSON of Tennessee had been appointed such committee on the part of the House.

NOTIFICATION TO THE PRESIDENT.

Mr. HOAR and Mr. COCKRELL, the committee appointed to wait upon the President of the United States, appeared at the bar, and

Mr. HOAR said: Mr. President, the committee appointed by the Senate, in conjunction with a committee appointed by the House of Representatives, to inform the President that a quorum of the two Houses is present and that they are ready to receive any communication from him, have discharged that commission. They are directed by the President to say that he is much gratified by the return of the members of the two Houses to the Capitol, and that he will make a communication in writing forthwith.

PRESIDENT'S MESSAGE.

Mr. O. L. PRUDEN, one of the secretaries of the President of the United States, appeared below the bar and said:

Mr. President, I am directed by the President of the United States to deliver to the Senate a message in writing.

The message was received from the secretary and handed to the President pro tempore.

The PRESIDENT pro tempore. The Chair lays before the Senate the following message from the President of the United States, which the Secretary will read.

The Secretary read the message, as follows:

To the Senate and House of Representatives:

At the outgoing of the old and the incoming of the new century you begin the last session of the Fifty-sixth Congress with evidences on every hand of individual and national prosperity and with proof of the growing strength and increasing power for good of republican institutions. Your countrymen will join with you in felicitation that American liberty is more firmly established than ever before, and that love for it and the determination to preserve it are more universal than at any former period of our history.

The Republic was never so strong, because never so strongly entrenched in the hearts of the people as now. The Constitution, with few amendments, exists as it left the hands of its authors. The additions which have been made to it proclaim larger freedom and more extended citizenship. Popular government has demonstrated in its one hundred and twenty-four years of trial here its stability and security, and its efficiency as the best instrument of national development and the best safeguard to human rights.

When the Sixth Congress assembled in November, 1800, the population of the United States was 5,308,483. It is now 76,304,799. Then we had 16 States. Now we have 45. Then our territory consisted of 909,050 square miles. It is now 3,846,595 square

miles. Education, religion, and morality have kept pace with our advancement in other directions, and while extending its power the Government has adhered to its foundation principles and abated none of them in dealing with our new peoples and possessions. A nation so preserved and blessed gives reverent thanks to God and invokes His guidance and the continuance of His care and favor.

In our foreign intercourse the dominant question has been the treatment of the Chinese problem. Apart from this our relations with the powers have been happy.

The recent troubles in China spring from the antiforeign agitation which for the past three years has gained strength in the northern provinces. Their origin lies deep in the character of the Chinese races and in the traditions of their Government. The Taiping rebellion and the opening of Chinese ports to foreign trade and settlement disturbed alike the homogeneity and the seclusion of China.

Meanwhile foreign activity made itself felt in all quarters, not alone on the coast, but along the great river arteries and in the remoter districts, carrying new ideas and introducing new associations among a primitive people which had pursued for centuries a national policy of isolation.

The telegraph and the railway spreading over their land, the steamers plying on their waterways, the merchant and the missionary penetrating year by year farther to the interior, became to the Chinese mind types of an alien invasion, changing the course of their national life and fraught with vague forebodings of disaster to their beliefs and their self-control.

For several years before the present troubles all the resources of foreign diplomacy, backed by moral demonstrations of the physical force of fleets and arms, have been needed to secure due respect for the treaty rights of foreigners and to obtain satisfaction from the responsible authorities for the sporadic outrages upon the persons and property of unoffending sojourners, which from time to time occurred at widely separated points in the northern provinces, as in the case of the outbreaks in Sze-chuen and Shan-tung.

Posting of antiforeign placards became a daily occurrence, which the repeated reprobation of the Imperial power failed to check or punish. These inflammatory appeals to the ignorance and superstition of the masses, mendacious and absurd in their accusations and deeply hostile in their spirit, could not but work cumulative harm. They aimed at no particular class of foreigners; they were impartial in attacking everything foreign.

An outbreak in Shan-tung, in which German missionaries were slain, was the too natural result of these malevolent teachings. The posting of seditious placards, exhorting to the utter destruction of foreigners and of every foreign thing, continued unrebuked. Hostile demonstrations toward the stranger gained strength by organization.

The sect commonly styled the Boxers developed greatly in the provinces north of the Yang-Tse, and with the collusion of many notable officials, including some in the immediate councils of the Throne itself, became alarmingly aggressive. No foreigner's life outside of the protected treaty ports was safe. No foreign interest was secure from spoliation.

The diplomatic representatives of the powers in Peking strove in vain to check this movement. Protest was followed by demand, and demand by renewed protest, to be met with perfunctory edicts from the Palace and evasive and futile assurances from the Tsung-li Yamen. The circle of the Boxer influence narrowed about Peking, and while nominally stigmatized as seditious, it was felt that its spirit pervaded the capital itself, that the Imperial forces were imbued with its doctrines, and that the immediate counselors of the Empress Dowager were in full sympathy with the antiforeign movement.

The increasing gravity of the conditions in China and the imminence of peril to our own diversified interests in the Empire, as well as to those of all the other treaty governments, were soon appreciated by this Government, causing it profound solicitude. The United States from the earliest days of foreign intercourse with China had followed a policy of peace, omitting no occasions to testify good will, to further the extension of lawful trade, to respect the sovereignty of its Government, and to insure by all legitimate and kindly but earnest means the fullest measure of protection for the lives and property of our law-abiding citizens and for the exercise of their beneficent callings among the Chinese people.

Mindful of this, it was felt to be appropriate that our purposes should be pronounced in favor of such course as would hasten united action of the powers at Peking to promote the administrative reforms so greatly needed for strengthening the Imperial Government and maintaining the integrity of China, in which we believed the whole western world to be alike concerned. To these ends I caused to be addressed to the several powers occupying territory and maintaining spheres of influence in China the circular proposals of 1899, inviting from them declarations of their intentions and views as to the desirability of the adoption of measures

insuring the benefits of equality of treatment of all foreign trade throughout China.

With gratifying unanimity the responses coincided in this common policy, enabling me to see in the successful termination of these negotiations proof of the friendly spirit which animates the various powers interested in the untrammelled development of commerce and industry in the Chinese Empire as a source of vast benefit to the whole commercial world.

In this conclusion, which I had the gratification to announce as a completed engagement to the interested powers on March 20, 1900, I hopefully discerned a potential factor for the abatement of the distrust of foreign purposes which for a year past had appeared to inspire the policy of the Imperial Government, and for the effective exertion by it of power and authority to quell the critical antifeign movement in the northern provinces most immediately influenced by the Manchu sentiment.

Seeking to testify confidence in the willingness and ability of the Imperial administration to redress the wrongs and prevent the evils we suffered and feared, the marine guard, which had been sent to Peking in the autumn of 1899 for the protection of the legation, was withdrawn at the earliest practicable moment, and all pending questions were remitted, as far as we were concerned, to the ordinary resorts of diplomatic intercourse.

The Chinese Government proved, however, unable to check the rising strength of the Boxers, and appeared to be a prey to internal dissensions. In the unequal contest the antifeign influences soon gained the ascendancy under the leadership of Prince Tuan. Organized armies of Boxers, with which the Imperial forces affiliated, held the country between Peking and the coast, penetrated into Manchuria up to the Russian borders, and through their emissaries threatened a like rising throughout northern China.

Attacks upon foreigners, destruction of their property, and slaughter of native converts were reported from all sides. The Tsung-li Yamen, already permeated with hostile sympathies, could make no effective response to the appeals of the legations. At this critical juncture, in the early spring of this year, a proposal was made by the other powers that a combined fleet should be assembled in Chinese waters as a moral demonstration, under cover of which to exact of the Chinese Government respect for foreign treaty rights and the suppression of the Boxers.

The United States, while not participating in the joint demonstration, promptly sent from the Philippines all ships that could be spared for service on the Chinese coast. A small force of marines was landed at Taku and sent to Peking for the protection of the American legation. Other powers took similar action, until some 400 men were assembled in the capital as legation guards.

Still the peril increased. The legations reported the development of the seditious movement in Peking and the need of increased provision for defense against it. While preparations were in progress for a larger expedition, to strengthen the legation guards and keep the railway open, an attempt of the foreign ships to make a landing at Taku was met by a fire from the Chinese forts. The forts were thereupon shelled by the foreign vessels, the American admiral taking no part in the attack, on the ground that we were not at war with China and that a hostile demonstration might consolidate the antifeign elements and strengthen the Boxers to oppose the relieving column.

Two days later the Taku forts were captured after a sanguinary conflict. Severance of communication with Peking followed, and a combined force of additional guards, which was advancing to Peking by the Pei-Ho, was checked at Langfang. The isolation of the legations was complete.

The siege and the relief of the legations has passed into undying history. In all the stirring chapter which records the heroism of the devoted band, clinging to hope in the face of despair, and the undaunted spirit that led their relievers through battle and suffering to the goal, it is a memory of which my countrymen may be justly proud that the honor of our flag was maintained alike in the siege and the rescue, and that stout American hearts have again set high, in fervent emulation with true men of other race and language, the indomitable courage that ever strives for the cause of right and justice.

By June 19 the legations were cut off. An identical note from the Yamen ordered each minister to leave Peking, under a promised escort, within twenty-four hours. To gain time they replied, asking prolongation of the time, which was afterwards granted, and requesting an interview with the Tsung-li Yamen on the following day. No reply being received, on the morning of the 20th the German minister, Baron von Ketteler, set out for the Yamen to obtain a response, and on the way was murdered.

An attempt by the legation guard to recover his body was foiled by the Chinese. Armed forces turned out against the legations. Their quarters were surrounded and attacked. The mission compounds were abandoned, their inmates taking refuge in the British legation, where all the other legations and guards gathered for more effective defense. Four hundred persons were crowded in its narrow compass. Two thousand native converts were assembled in a near-by palace under protection of the foreigners. Lines

of defense were strengthened, trenches dug, barricades raised, and preparations made to stand a siege, which at once began.

From June 20 until July 17, writes Minister Conger, "there was scarcely an hour during which there was not firing upon some part of our lines and into some of the legations, varying from a single shot to a general and continuous attack along the whole line." Artillery was placed around the legations and on the overlooking palace walls, and thousands of 3-inch shot and shell were fired, destroying some buildings and damaging all. So thickly did the balls rain that, when the ammunition of the besieged ran low, five quarts of Chinese bullets were gathered in an hour in one compound and recast.

Attempts were made to burn the legations by setting neighboring houses on fire, but the flames were successfully fought off, although the Austrian, Belgian, Italian, and Dutch legations were then and subsequently burned. With the aid of the native converts, directed by the missionaries, to whose helpful cooperation Mr. Conger awards unstinted praise, the British legation was made a veritable fortress. The British minister, Sir Claude MacDonald, was chosen general commander of the defense, with the secretary of the American legation, Mr. E. G. Squiers, as chief of staff.

To save life and ammunition the besieged sparingly returned the incessant fire of the Chinese soldiery, fighting only to repel attack or make an occasional successful sortie for strategic advantage, such as that of fifty-five American, British, and Russian marines led by Captain Myers, of the United States Marine Corps, which resulted in the capture of a formidable barricade on the wall that gravely menaced the American position. It was held to the last, and proved an invaluable acquisition, because commanding the water gate through which the relief column entered.

During the siege the defenders lost 65 killed, 135 wounded, and 7 by disease—the last all children.

On July 14 the besieged had their first communication with the Tsung-li Yamen, from whom a message came inviting to a conference, which was declined. Correspondence, however, ensued and a sort of armistice was agreed upon, which stopped the bombardment and lessened the rifle fire for a time. Even then no protection whatever was afforded, nor any aid given, save to send to the legations a small supply of fruit and three sacks of flour.

Indeed, the only communication had with the Chinese Government related to the occasional delivery or dispatch of a telegram or to the demands of the Tsung-li Yamen for the withdrawal of the legations to the coast under escort. Not only are the protestations of the Chinese Government that it protected and succored the legations positively contradicted, but irresistible proof accumulates that the attacks upon them were made by Imperial troops, regularly uniformed, armed, and officered, belonging to the command of Jung Lu, the Imperial commander in chief. Decrees encouraging the Boxers, organizing them under prominent Imperial officers, provisioning them, and even granting them large sums in the name of the Empress Dowager, are known to exist. Members of the Tsung-li Yamen who counseled protection of the foreigners were beheaded. Even in the distant provinces men suspected of foreign sympathy were put to death, prominent among these being Chang Yen-hoon, formerly Chinese minister in Washington.

With the negotiation of the partial armistice of July 14, a proceeding which was doubtless promoted by the representations of the Chinese envoy in Washington, the way was opened for the conveyance to Mr. Conger of a test message sent by the Secretary of State through the kind offices of Minister Wu Ting-fang. Mr. Conger's reply, dispatched from Peking on July 18 through the same channel, afforded to the outside world the first tidings that the inmates of the legations were still alive and hoping for succor.

This news stimulated the preparations for a joint relief expedition in numbers sufficient to overcome the resistance which for a month had been organizing between Taku and the capital. Reinforcements sent by all the cooperating governments were constantly arriving. The United States contingent, hastily assembled from the Philippines or dispatched from this country, amounted to some 5,000 men, under the able command first of the lamented Colonel Liscum and afterwards of General Chaffee.

Toward the end of July the movement began. A severe conflict followed at Tientsin, in which Colonel Liscum was killed. The city was stormed and partly destroyed. Its capture afforded the base of operations from which to make the final advance, which began in the first days of August, the expedition being made up of Japanese, Russian, British, and American troops at the outset.

Another battle was fought and won at Yangtsun. Thereafter the disheartened Chinese troops offered little show of resistance. A few days later the important position of Ho-si-woo was taken. A rapid march brought the united forces to the populous city of Tung Chow, which capitulated without a contest.

On August 14 the capital was reached. After a brief conflict beneath the wall the relief column entered and the legations were saved. The United States soldiers, sailors, and marines, officers and men alike, in those distant climes and unusual surroundings,

showed the same valor, discipline, and good conduct and gave proof of the same high degree of intelligence and efficiency which have distinguished them in every emergency.

The Imperial family and the Government had fled a few days before. The city was without visible control. The remaining Imperial soldiery had made on the night of the 13th a last attempt to exterminate the besieged, which was gallantly repelled. It fell to the occupying forces to restore order and organize a provisional administration.

Happily the acute disturbances were confined to the northern provinces. It is a relief to recall and a pleasure to record the loyal conduct of the viceroys and local authorities of the southern and eastern provinces. Their efforts were continuously directed to the pacific control of the vast populations under their rule and to the scrupulous observance of foreign treaty rights. At critical moments they did not hesitate to memorialize the Throne, urging the protection of the legations, the restoration of communication, and the assertion of the Imperial authority against the subversive elements. They maintained excellent relations with the official representatives of foreign powers. To their kindly disposition is largely due the success of the consuls in removing many of the missionaries from the interior to places of safety. In this relation the action of the consuls should be highly commended. In Shantung and eastern Chi-li the task was difficult, but, thanks to their energy and the cooperation of American and foreign naval commanders, hundreds of foreigners, including those of other nationalities than ours, were rescued from imminent peril.

The policy of the United States through all this trying period was clearly announced and scrupulously carried out. A circular note to the powers dated July 3 proclaimed our attitude. Treating the condition in the north as one of virtual anarchy, in which the great provinces of the south and southeast had no share, we regarded the local authorities in the latter quarters as representing the Chinese people with whom we sought to remain in peace and friendship. Our declared aims involved no war against the Chinese nation. We adhered to the legitimate office of rescuing the imperiled legation, obtaining redress for wrongs already suffered, securing wherever possible the safety of American life and property in China, and preventing a spread of the disorders or their recurrence.

As was then said, "The policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

Faithful to those professions which, as it proved, reflected the views and purposes of the other cooperating governments, all our efforts have been directed toward ending the anomalous situation in China by negotiations for a settlement at the earliest possible moment. As soon as the sacred duty of relieving our legation and its dependents was accomplished we withdrew from active hostilities, leaving our legation under an adequate guard in Peking as a channel of negotiation and settlement—a course adopted by others of the interested powers. Overtures of the empowered representatives of the Chinese Emperor have been considerably entertained.

The Russian proposition looking to the restoration of the Imperial power in Peking has been accepted as in full consonance with our own desires, for we have held and hold that effective reparation for wrongs suffered and an enduring settlement that will make their recurrence impossible can best be brought about under an authority which the Chinese nation reverences and obeys. While so doing we forego no jot of our undoubted right to exact exemplary and deterrent punishment of the responsible authors and abettors of the criminal acts whereby we and other nations have suffered grievous injury.

For the real culprits, the evil counselors who have misled the Imperial judgment and diverted the sovereign authority to their own guilty ends, full expiation becomes imperative within the national limits of retributive justice. Regarding this as the initial condition of an acceptable settlement between China and the powers, I said in my message of October 18 to the Chinese Emperor:

"I trust that negotiations may begin so soon as we and the other offended governments shall be effectively satisfied of Your Majesty's ability and power to treat with just sternness the principal offenders, who are doubly culpable, not alone toward the foreigners, but toward Your Majesty, under whose rule the purpose of China to dwell in concord with the world had hitherto found expression in the welcome and protection assured to strangers."

Taking, as a point of departure, the Imperial edict appointing Earl Li Hung Chang and Prince Ching plenipotentiaries to arrange a settlement, and the edict of September 25, whereby certain high officials were designated for punishment, this Government has moved, in concert with the other powers, toward the

opening of negotiations, which Mr. Conger, assisted by Mr. Rockhill, has been authorized to conduct on behalf of the United States.

General bases of negotiation formulated by the Government of the French Republic have been accepted with certain reservations as to details, made necessary by our own circumstances, but, like similar reservations by other powers, open to discussion in the progress of the negotiations. The disposition of the Emperor's Government to admit liability for wrongs done to foreign governments and their nationals, and to act upon such additional designation of the guilty persons as the foreign ministers at Peking may be in a position to make, gives hope of a complete settlement of all questions involved, assuring foreign rights of residence and intercourse on terms of equality for all the world.

I regard as one of the essential factors of a durable adjustment the securing of adequate guarantees for liberty of faith, since insecurity of those natives who may embrace alien creeds is a scarcely less effectual assault upon the rights of foreign worship and teaching than would be the direct invasion thereof.

The matter of indemnity for our wronged citizens is a question of grave concern. Measured in money alone, a sufficient reparation may prove to be beyond the ability of China to meet. All the powers concur in emphatic disclaimers of any purpose of aggrandizement through the dismemberment of the Empire. I am disposed to think that due compensation may be made in part by increased guarantees of security for foreign rights and immunities, and, most important of all, by the opening of China to the equal commerce of all the world. These views have been and will be earnestly advocated by our representatives.

The Government of Russia has put forward a suggestion, that in the event of protracted divergence of views in regard to indemnities the matter may be relegated to the Court of Arbitration at The Hague. I favorably incline to this, believing that high tribunal could not fail to reach a solution no less conducive to the stability and enlarged prosperity of China itself than immediately beneficial to the powers.

Ratifications of a treaty of extradition with the Argentine Republic were exchanged on June 2 last.

While the Austro-Hungarian Government has in the many cases that have been reported of the arrest of our naturalized citizens for alleged evasion of military service faithfully observed the provisions of the treaty and released such persons from military obligations, it has in some instances expelled those whose presence in the community of their origin was asserted to have a pernicious influence. Representations have been made against this course whenever its adoption has appeared unduly onerous.

We have been urgently solicited by Belgium to ratify the international convention of June, 1899, amendatory of the previous convention of 1890 in respect to the regulation of the liquor trade in Africa. Compliance was necessarily withheld, in the absence of the advice and consent of the Senate thereto. The principle involved has the cordial sympathy of this Government, which in the revisionary negotiations advocated more drastic measures, and I would gladly see its extension, by international agreement, to the restriction of the liquor traffic with all uncivilized peoples, especially in the western Pacific.

A conference will be held at Brussels December 11, 1900, under the convention for the protection of industrial property concluded at Paris March 20, 1883, to which delegates from this country have been appointed. Any lessening of the difficulties that our inventors encounter in obtaining patents abroad for their inventions and that our farmers, manufacturers, and merchants may have in the protection of their trade-marks is worthy of careful consideration, and your attention will be called to the results of the conference at the proper time.

In the interest of expanding trade between this country and South America, efforts have been made during the past year to conclude conventions with the southern republics for the enlargement of postal facilities. Two such agreements, signed with Bolivia on April 24, of which that establishing the money-order system is undergoing certain changes suggested by the Post-Office Department, have not yet been ratified by this Government. A treaty of extradition with that country, signed on the same day, is before the Senate.

A boundary dispute between Brazil and Bolivia over the territory of Acre is in a fair way of friendly adjustment, a protocol signed in December, 1899, having agreed on a definite frontier and provided for its demarcation by a joint commission.

Conditions in Brazil have weighed heavily on our export trade to that country, in marked contrast to the favorable conditions upon which Brazilian products are admitted into our markets. Urgent representations have been made to that Government on the subject, and some amelioration has been effected. We rely upon the reciprocal justice and good will of that Government to assure to us a further improvement in our commercial relations.

The convention signed May 24, 1897, for the final settlement of claims left in abeyance upon the dissolution of the commission of

1893 was at length ratified by the Chilean Congress, and the supplemental commission has been organized.

It remains for the Congress to appropriate for the necessary expenses of the commission.

The insurrectionary movement which disturbed Colombia in the latter part of 1899 has been practically suppressed, although guerrillas still operate in some departments. The executive power of that Republic changed hands in August last by the act of Vice-President Marroquin in assuming the reins of government during the absence of President San Clemente from the capital. The change met with no serious opposition, and, following the precedents in such cases, the United States minister entered into relations with the new de facto Government on September 17th.

It is gratifying to announce that the residual questions between Costa Rica and Nicaragua growing out of the award of President Cleveland in 1888 have been adjusted through the choice of an American engineer, Gen. E. P. Alexander, as umpire to run the disputed line. His task has been accomplished to the satisfaction of both contestants.

A revolution in the Dominican Republic toward the close of last year resulted in the installation of President Jimenez, whose Government was formally recognized in January. Since then final payment has been made of the American claim in regard to the Ozama bridge.

The year of the Exposition has been fruitful in occasions for displaying the good will that exists between this country and France. This great competition brought together from every nation the best in natural productions, industry, science, and the arts, submitted in generous rivalry to a judgment made all the more searching because of that rivalry. The extraordinary increase of exportations from this country during the past three years and the activity with which our inventions and wares had invaded new markets caused much interest to center upon the American exhibit, and every encouragement was offered in the way of space and facilities to permit of its being comprehensive as a whole and complete in every part.

It was, however, not an easy task to assemble exhibits that could fitly illustrate our diversified resources and manufactures. Singularly enough our national prosperity lessened the incentive to exhibit. The dealer in raw materials knew that the user must come to him; the great factories were contented with the phenomenal demand for their output, not alone at home, but also abroad, where merit had already won a profitable trade.

Appeals had to be made to the patriotism of exhibitors to induce them to incur outlays promising no immediate return. This was especially the case where it became needful to complete an industrial sequence or illustrate a class of processes. One manufacturer after another had to be visited and importuned, and at times, after a promise to exhibit in a particular section had been obtained, it would be withdrawn, owing to pressure of trade orders, and a new quest would have to be made.

The installation of exhibits, too, encountered many obstacles and involved unexpected cost. The Exposition was far from ready at the date fixed for its opening. The French transportation lines were congested with offered freight. Belated goods had to be hastily installed in unfinished quarters with whatever labor could be obtained in the prevailing confusion. Nor was the task of the Commission lightened by the fact that, owing to the scheme of classification adopted, it was impossible to have the entire exhibit of any one country in the same building or more than one group of exhibits in the same part of any building. Our installations were scattered on both sides of the Seine and in widely remote suburbs of Paris, so that additional assistants were needed for the work of supervision and arrangement.

Despite all these drawbacks the contribution of the United States was not only the largest foreign display, but was among the earliest in place and the most orderly in arrangement. Our exhibits were shown in one hundred and one out of one hundred and twenty-one classes, and more completely covered the entire classification than those of any other nation. In total number they ranked next after those of France, and the attractive form in which they were presented secured general attention.

A criterion of the extent and success of our participation and of the thoroughness with which our exhibits were organized is seen in the awards granted to American exhibitors by the international jury, namely, grand prizes, 240; gold medals, 597; silver medals, 776; bronze medals, 541, and honorable mentions, 322—2,476 in all, being the greatest total number given to the exhibit of any exhibiting nation, as well as the largest number in each grade. This significant recognition of merit in competition with the chosen exhibits of all other nations and at the hands of juries almost wholly made up of representatives of France and other competing countries is not only most gratifying, but is especially valuable, since it sets us to the front in international questions of supply and demand, while the large proportion of awards in the classes of art and artistic manufactures afforded unexpected proof of the stimulation of national culture by the prosperity that flows from natural productiveness joined to industrial excellence.

Apart from the Exposition several occasions for showing international good will occurred. The inauguration in Paris of the Lafayette monument, presented by the school children of the United States, and the designing of a commemorative coin by our Mint and the presentation of the first piece struck to the President of the Republic, were marked by appropriate ceremonies, and the Fourth of July was especially observed in the French capital.

Good will prevails in our relations with the German Empire. An amicable adjustment of the long-pending question of the admission of our life-insurance companies to do business in Prussia has been reached. One of the principal companies has already been readmitted and the way is opened for the others to share the privilege.

The settlement of the Samoan problem, to which I adverted in my last message, has accomplished good results. Peace and contentment prevail in the islands, especially in Tutuila, where a convenient administration that has won the confidence and esteem of the kindly disposed natives has been organized under the direction of the commander of the United States naval station at Pago-Pago.

An Imperial meat-inspection law has been enacted for Germany. While it may simplify the inspections, it prohibits certain products heretofore admitted. There is still great uncertainty as to whether our well-nigh extinguished German trade in meat products can revive under its new burdens. Much will depend upon regulations not yet promulgated, which we confidently hope will be free from the discriminations which attended the enforcement of the old statutes.

The remaining link in the new lines of direct telegraphic communication between the United States and the German Empire has recently been completed, affording a gratifying occasion for exchange of friendly congratulations with the German Emperor.

Our friendly relations with Great Britain continue. The war in Southern Africa introduced important questions. A condition unusual in international wars was presented in that while one belligerent had control of the seas, the other had no ports, shipping, or direct trade, but was only accessible through the territory of a neutral. Vexatious questions arose through Great Britain's action in respect to neutral cargoes, not contraband in their own nature, shipped to Portuguese South Africa, on the score of probable or suspected ultimate destination to the Boer States.

Such consignments in British ships, by which alone direct trade is kept up between our ports and southern Africa, were seized in application of a municipal law prohibiting British vessels from trading with the enemy without regard to any contraband character of the goods, while cargoes shipped to Delagoa Bay in neutral bottoms were arrested on the ground of alleged destination to enemy's country. Appropriate representations on our part resulted in the British Government agreeing to purchase outright all such goods shown to be the actual property of American citizens, thus closing the incident to the satisfaction of the immediately interested parties, although, unfortunately, without a broad settlement of the question of a neutral's right to send goods not contraband *per se* to a neutral port adjacent to a belligerent area.

The work of making certain provisional boundary points, for convenience of administration, around the head of Lynn Canal, in accordance with the temporary arrangement of October, 1899, was completed by a joint survey in July last. The *modus vivendi* has so far worked without friction, and the Dominion Government has provided rules and regulations for securing to our citizens the benefit of the reciprocal stipulation that the citizens or subjects of either power found by that arrangement within the temporary jurisdiction of the other shall suffer no diminution of the rights and privileges they have hitherto enjoyed. But however necessary such an expedient may have been to tide over the grave emergencies of the situation, it is at best but an unsatisfactory makeshift which should not be suffered to delay the speedy and complete establishment of the frontier line to which we are entitled under the Russo-American treaty for the cession of Alaska.

In this relation I may refer again to the need of definitely marking the Alaskan boundary where it follows the one hundred and forty-first meridian. A convention to that end has been before the Senate for some two years, but as no action has been taken I contemplate negotiating a new convention for a joint determination of the meridian by telegraphic observations. These, it is believed, will give more accurate and unquestionable results than the sidereal methods heretofore independently followed, which, as is known, proved discrepant at several points on the line, although not varying at any place more than 700 feet.

The pending claim of R. H. May against the Guatemalan Government has been settled by arbitration, Mr. George F. B. Jenner, British minister at Guatemala, who was chosen as sole arbitrator, having awarded \$143,750.73 in gold to the claimant.

Various American claims against Haiti have been or are being advanced to the resort of arbitration.

As the result of negotiations with the Government of Honduras in regard to the indemnity demanded for the murder of Frank H.

Pears in Honduras, that Government has paid \$10,000 in settlement of the claim of the heirs.

The assassination of King Humbert called forth sincere expressions of sorrow from this Government and people, and occasion was fitly taken to testify to the Italian nation the high regard here felt for the memory of the lamented ruler.

In my last message I referred at considerable length to the lynching of five Italians at Tallulah. Notwithstanding the efforts of the Federal Government, the production of evidence tending to inculpate the authors of this grievous offense against our civilization, and the repeated inquests set on foot by the authorities of the State of Louisiana, no punishments have followed. Successive grand juries have failed to indict. The representations of the Italian Government in the face of this miscarriage have been most temperate and just.

Setting the principle at issue high above all consideration of merely pecuniary indemnification, such as this Government made in the three previous cases, Italy has solemnly invoked the pledges of existing treaty and asked that the justice to which she is entitled shall be meted in regard to her unfortunate countrymen in our territory with the same full measure she herself would give to any American were his reciprocal treaty rights contemned.

I renew the urgent recommendations I made last year that the Congress appropriately confer upon the Federal courts jurisdiction in this class of international cases where the ultimate responsibility of the Federal Government may be involved, and I invite action upon the bills to accomplish this which were introduced in the Senate and House. It is incumbent upon us to remedy the statutory omission which has led, and may again lead, to such untoward results. I have pointed out the necessity and the precedent for legislation of this character. Its enactment is a simple measure of previsoary justice toward the nations with which we as a sovereign equal make treaties requiring reciprocal observance.

While the Italian Government naturally regards such action as the primary and, indeed, the most essential element in the disposal of the Tallulah incident, I advise that, in accordance with precedent and in view of the improbability of that particular case being reached by the bill now pending, Congress make gracious provision for indemnity to the Italian sufferers in the same form and proportion as heretofore.

In my inaugural address I referred to the general subject of lynching in these words:

"Lynching must not be tolerated in a great and civilized country like the United States; courts, not mobs, must execute the penalties of the law. The preservation of public order, the right of discussion, the integrity of courts, and the orderly administration of justice must continue forever the rock of safety upon which our Government securely rests."

This I most urgently reiterate and again invite the attention of my countrymen to this reproach upon our civilization.

The closing year has witnessed a decided strengthening of Japan's relations to other states. The development of her independent, judicial, and administrative functions under the treaties which took effect July 17, 1899, has proceeded without international friction, showing the competence of the Japanese to hold a foremost place among modern peoples.

In the treatment of the difficult Chinese problems Japan has acted in harmonious concert with the other powers, and her generous cooperation materially aided in the joint relief of the beleaguered legations in Peking and in bringing about an understanding preliminary to a settlement of the issues between the powers and China. Japan's declarations in favor of the integrity of the Chinese Empire and the conservation of open world trade therewith have been frank and positive. As a factor for promoting the general interests of peace, order, and fair commerce in the Far East the influence of Japan can hardly be overestimated.

The valuable aid and kindly courtesies extended by the Japanese Government and naval officers to the battle ship *Oregon* are gratefully appreciated.

Complaint was made last summer of the discriminatory enforcement of a bubonic quarantine against Japanese on the Pacific coast and of interference with their travel in California and Colorado under the health laws of those States. The latter restrictions have been adjudged by a Federal court to be unconstitutional. No recurrence of either cause of complaint is apprehended.

No noteworthy incident has occurred in our relations with our important southern neighbor. Commercial intercourse with Mexico continues to thrive, and the two Governments neglect no opportunity to foster their mutual interests in all practicable ways.

Pursuant to the declaration of the Supreme Court that the awards of the late joint commission in the La Abra and Weil claims were obtained through fraud, the sum awarded in the first case, \$403,030.08, has been returned to Mexico, and the amount of the Weil award will be returned in like manner.

A convention indefinitely extending the time for the labors of the United States and Mexican International (Water) Boundary Commission has been signed.

It is with satisfaction that I am able to announce the formal

notification at The Hague, on September 4, of the deposit of ratifications of the Convention for the Pacific Settlement of International Disputes by sixteen powers, namely, the United States, Austria, Belgium, Denmark, England, France, Germany, Italy, Persia, Portugal, Roumania, Russia, Siam, Spain, Sweden and Norway, and the Netherlands. Japan also has since ratified the convention.

The Administrative Council of the Permanent Court of Arbitration has been organized and has adopted rules of order and a constitution for the International Arbitration Bureau. In accordance with Article XXIII of the convention, providing for the appointment by each signatory power of persons of known competency in questions of international law as arbitrators, I have appointed as members of this court Hon. Benjamin Harrison, of Indiana, ex-President of the United States; Hon. Melville W. Fuller, of Illinois, Chief Justice of the United States; Hon. John W. Griggs, of New Jersey, Attorney-General of the United States, and Hon. George Gray, of Delaware, a judge of the circuit court of the United States.

As an incident of the brief revolution in the Mosquito district of Nicaragua early in 1899, the insurgents forcibly collected from American merchants duties upon imports. On the restoration of order the Nicaraguan authorities demanded a second payment of such duties on the ground that they were due to the titular Government and that their diversion had aided the revolt.

This position was not accepted by us. After prolonged discussion a compromise was effected under which the amount of the second payments was deposited with the British consul at San Juan del Norte in trust until the two Governments should determine whether the first payments had been made under compulsion to a *de facto* authority. Agreement as to this was not reached, and the point was waived by the act of the Nicaraguan Government in requesting the British consul to return the deposits to the merchants.

Menacing differences between several of the Central American States have been accommodated, our ministers rendering good offices toward an understanding.

The all-important matter of an interoceanic canal has assumed a new phase. Adhering to its refusal to reopen the question of the forfeiture of the contract of the Maritime Canal Company, which was terminated for alleged nonexecution in October, 1899, the Government of Nicaragua has since supplemented that action by declaring the so-styled Eyre-Cragin option void for nonpayment of the stipulated advance. Protests in relation to these acts have been filed in the State Department and are under consideration. Deeming itself relieved from existing engagements, the Nicaraguan Government shows a disposition to deal freely with the canal question either in the way of negotiations with the United States or by taking measures to promote the waterway.

Overtures for a convention to effect the building of a canal under the auspices of the United States are under consideration. In the meantime, the views of the Congress upon the general subject, in the light of the report of the Commission appointed to examine the comparative merits of the various trans-Isthmian ship-canal projects, may be awaited.

I commend to the early attention of the Senate the convention with Great Britain to facilitate the construction of such a canal and to remove any objection which might arise out of the convention commonly called the Clayton-Bulwer Treaty.

The long-standing contention with Portugal, growing out of the seizure of the Delagoa Bay Railway, has been at last determined by a favorable award of the tribunal of arbitration at Berne, to which it was submitted. The amount of the award, which was deposited in London awaiting arrangements by the Governments of the United States and Great Britain for its disposal, has recently been paid over to the two Governments.

A lately signed Convention of Extradition with Peru as amended by the Senate has been ratified by the Peruvian Congress.

Another illustration of the policy of this Government to refer international disputes to impartial arbitration is seen in the agreement reached with Russia to submit the claims on behalf of American sealing vessels seized in Bering Sea to determination by Mr. T. M. C. Asser, a distinguished statesman and jurist of the Netherlands.

Thanks are due to the Imperial Russian Government for the kindly aid rendered by its authorities in eastern Siberia to American missionaries fleeing from Manchuria.

Satisfactory progress has been made toward the conclusion of a general treaty of friendship and intercourse with Spain, in replacement of the old treaty, which passed into abeyance by reason of the late war. A new convention of extradition is approaching completion, and I should be much pleased were a commercial arrangement to follow. I feel that we should not suffer to pass any opportunity to reaffirm the cordial ties that existed between us and Spain from the time of our earliest independence, and to enhance the mutual benefits of that commercial intercourse which is natural between the two countries.

By the terms of the Treaty of Peace the line bounding the ceded

Philippine group in the southwest failed to include several small islands lying westward of the Sulu's, which have always been recognized as under Spanish control. The occupation of Sibutu and Cagayan Sulu by our naval forces elicited a claim on the part of Spain, the essential equity of which could not be gainsaid. In order to cure the defect of the treaty by removing all possible ground of future misunderstanding respecting the interpretation of its third article, I directed the negotiation of a supplementary treaty, which will be forthwith laid before the Senate, whereby Spain quits all title and claim of title to the islands named as well as to any and all islands belonging to the Philippine Archipelago lying outside the lines described in said third article, and agrees that all such islands shall be comprehended in the cession of the archipelago as fully as if they had been expressly included within those lines. In consideration of this cession the United States is to pay to Spain the sum of \$100,000.

A bill is now pending to effect the recommendation made in my last Annual Message that appropriate legislation be had to carry into execution Article VII of the Treaty of Peace with Spain, by which the United States assumed the payment of certain claims for indemnity of its citizens against Spain. I ask that action be taken to fulfill this obligation.

The King of Sweden and Norway has accepted the joint invitation of the United States, Germany, and Great Britain to arbitrate claims growing out of losses sustained in the Samoan Islands in the course of military operations made necessary by the disturbances in 1899.

Our claims upon the Government of the Sultan for reparation for injuries suffered by American citizens in Armenia and elsewhere give promise of early and satisfactory settlement. His Majesty's good disposition in this regard has been evinced by the issuance of an iradé for rebuilding the American college at Harpoot.

The failure of action by the Senate at its last session upon the commercial conventions then submitted for its consideration and approval, although caused by the great pressure of other legislative business, has caused much disappointment to the agricultural and industrial interests of the country, which hoped to profit by their provisions. The conventional periods for their ratification having expired, it became necessary to sign additional articles extending the time for that purpose. This was requested on our part, and the other governments interested have concurred with the exception of one convention, in respect to which no formal reply has been received.

Since my last communication to the Congress on this subject special commercial agreements under the third section of the tariff act have been proclaimed with Portugal, with Italy, and with Germany. Commercial conventions under the general limitations of the fourth section of the same act have been concluded with Nicaragua, with Ecuador, with the Dominican Republic, with Great Britain on behalf of the island of Trinidad, and with Denmark on behalf of the island of St. Croix. These will be early communicated to the Senate. Negotiations with other governments are in progress for the improvement and security of our commercial relations.

The policy of reciprocity so manifestly rests upon the principles of international equity and has been so repeatedly approved by the people of the United States that there ought to be no hesitation in either branch of the Congress in giving to it full effect.

This Government desires to preserve the most just and amicable commercial relations with all foreign countries, unmoved by the industrial rivalries necessarily developed in the expansion of international trade. It is believed that the foreign governments generally entertain the same purpose, although in some instances there are clamorous demands upon them for legislation specifically hostile to American interests. Should these demands prevail I shall communicate with the Congress with the view of advising such legislation as may be necessary to meet the emergency.

The exposition of the resources and products of the Western Hemisphere to be held at Buffalo next year promises important results not only for the United States but for the other participating countries. It is gratifying that the Latin-American States have evinced the liveliest interest, and the fact that an international American congress will be held in the City of Mexico while the exposition is in progress encourages the hope of a larger display at Buffalo than might otherwise be practicable. The work of preparing an exhibit of our national resources is making satisfactory progress under the direction of different officials of the Federal Government, and the various States of the Union have shown a disposition toward the most liberal participation in the enterprise.

The Bureau of the American Republics continues to discharge, with the happiest results, the important work of promoting cordial relations between the United States and the Latin-American countries, all of which are now active members of the International Union. The Bureau has been instrumental in bringing about the agreement for another international American congress,

which is to meet in the City of Mexico in October, 1901. The Bureau's future for another term of ten years is assured by the international compact, but the congress will doubtless have much to do with shaping new lines of work and a general policy. Its usefulness to the interests of Latin-American trade is widely appreciated and shows a gratifying development.

The practical utility of the consular service in obtaining a wide range of information as to the industries and commerce of other countries and the opportunities thereby afforded for introducing the sale of our goods have kept steadily in advance of the notable expansion of our foreign trade, and abundant evidence has been furnished, both at home and abroad, of the fact that the Consular Reports, including many from our diplomatic representatives, have to a considerable extent pointed out ways and means of disposing of a great variety of manufactured goods which otherwise might not have found sale abroad.

Testimony of foreign observers to the commercial efficiency of the consular corps seems to be conclusive, and our own manufacturers and exporters highly appreciate the value of the services rendered, not only in the printed reports, but also in the individual efforts of consular officers to promote American trade. An increasing part of the work of the Bureau of Foreign Commerce, whose primary duty it is to compile and print the reports, is to answer inquiries from trade organizations, business houses, etc., as to conditions in various parts of the world, and, notwithstanding the smallness of the force employed, the work has been so systematized that responses are made with such promptitude and accuracy as to elicit flattering encomiums. The experiment of printing the Consular Reports daily for immediate use by trade bodies, exporters, and the press, which was begun in January, 1898, continues to give general satisfaction.

It is gratifying to be able to state that the surplus revenues for the fiscal year ended June 30, 1900, were \$79,527,060.18. For the six preceding years we had only deficits, the aggregate of which from 1894 to 1899, inclusive, amounted to \$283,022,991.14. The receipts for the year from all sources, exclusive of postal revenues, aggregated \$567,240,851.89, and expenditures for all purposes, except for the administration of the postal department, aggregated \$487,713,791.71. The receipts from customs were \$233,164,871.16, an increase over the preceding year of \$27,036,389.41. The receipts from internal revenue were \$295,327,926.76, an increase of \$21,890,765.25 over 1899. The receipts from miscellaneous sources were \$38,748,053.97, as against \$36,394,976.92 for the previous year.

It is gratifying also to note that during the year a considerable reduction is shown in the expenditures of the Government. The War Department expenditures for the fiscal year 1900 were \$134,774,767.78, a reduction of \$95,066,486.69 over those of 1899. In the Navy Department the expenditures were \$55,953,077.72 for the year 1900, as against \$63,942,104.25 for the preceding year, a decrease of \$7,989,026.53. In the expenditures on account of Indians there was a decrease in 1900 over 1899 of \$2,630,604.38; and in the civil and miscellaneous expenses for 1900 there was a reduction of \$13,418,065.74.

Because of the excess of revenues over expenditures the Secretary of the Treasury was enabled to apply bonds and other securities to the sinking fund to the amount of \$56,544,556.06. The details of the sinking fund are set forth in the report of the Secretary of the Treasury, to which I invite attention. The Secretary of the Treasury estimates that the receipts for the current fiscal year will aggregate \$580,000,000 and the expenditures \$500,000,000, leaving an excess of revenues over expenditures of \$80,000,000. The present condition of the Treasury is one of undoubted strength. The available cash balance November 30 was \$139,303,794.50. Under the form of statement prior to the financial law of March 14 last there would have been included in the statement of available cash gold coin and bullion held for the redemption of United States notes.

If this form were pursued, the cash balance, including the present gold reserve of \$150,000,000, would be \$289,303,794.50. Such balance November 30, 1899, was \$296,495,301.55. In the general fund, which is wholly separate from the reserve and trust funds, there was on November 30, \$70,090,073.15 in gold coin and bullion, to which should be added \$22,957,300 in gold certificates subject to issue, against which there is held in the Division of Redemption gold coin and bullion, making a total holding of free gold amounting to \$93,047,373.15.

It will be the duty as I am sure it will be the disposition of the Congress to provide whatever further legislation is needed to insure the continued parity under all conditions between our two forms of metallic money, silver and gold.

Our surplus revenues have permitted the Secretary of the Treasury since the close of the fiscal year to call in the funded loan of 1891 continued at 2 per cent, in the sum of \$25,364,500. To and including November 30, \$23,458,100 of these bonds have been paid. This sum, together with the amount which may accrue from further redemptions under the call, will be applied to the sinking fund.

The law of March 14, 1900, provided for refunding into 2 per cent thirty-year bonds, payable, principal and interest, in gold coin of the present standard value, that portion of the public debt represented by the 3 per cent bonds of 1908, the 4 percents of 1907, and the 5 percents of 1904, of which there was outstanding at the date of said law \$339,149,930. The holders of the old bonds presented them for exchange between March 14 and November 30 to the amount of \$364,943,750. The net saving to the Government on these transactions aggregates \$9,106,166.

Another effect of the operation, as stated by the Secretary, is to reduce the charge upon the Treasury for the payment of interest from the dates of refunding to February 1, 1904, by the sum of more than seven million dollars annually. From February 1, 1904, to July 1, 1907, the annual interest charge will be reduced by the sum of more than five millions, and for the thirteen months ending August 1, 1908, by about one million. The full details of the refunding are given in the Annual Report of the Secretary of the Treasury.

The beneficial effect of the financial act of 1900, so far as it relates to a modification of the national banking act, is already apparent. The provision for the incorporation of national banks with a capital of not less than \$25,000 in places not exceeding three thousand inhabitants has resulted in the extension of banking facilities to many small communities hitherto unable to provide themselves with banking institutions under the national system. There were organized from the enactment of the law up to and including November 30, 369 national banks, of which 266 were with capital less than \$50,000, and 103 with capital of \$50,000 or more.

It is worthy of mention that the greater number of banks being organized under the new law are in sections where the need of banking facilities has been most pronounced. Iowa stands first, with 30 banks of the smaller class, while Texas, Oklahoma, Indian Territory, and the middle and western sections of the country have also availed themselves largely of the privileges under the new law.

A large increase in national-bank-note circulation has resulted from the provision of the act which permits national banks to issue circulating notes to the par value of the United States bonds deposited as security instead of only 90 per cent thereof, as heretofore. The increase in circulating notes from March 14 to November 30 is \$77,889,570.

The party in power is committed to such legislation as will better make the currency responsive to the varying needs of business at all seasons and in all sections.

Our foreign trade shows a remarkable record of commercial and industrial progress. The total of imports and exports for the first time in the history of the country exceeded two billions of dollars. The exports are greater than they have ever been before, the total for the fiscal year 1900 being \$1,394,483,082, an increase over 1899 of \$167,459,780, an increase over 1898 of \$163,000,752, over 1897 of \$343,489,526, and greater than 1896 by \$511,876,144.

The growth of manufactures in the United States is evidenced by the fact that exports of manufactured products largely exceed those of any previous year, their value for 1900 being \$433,851,756, against \$339,592,146 in 1899, an increase of 28 per cent.

Agricultural products were also exported during 1900 in greater volume than in 1899, the total for the year being \$835,858,123, against \$784,776,142 in 1899.

The imports for the year amounted to \$849,941,184, an increase over 1899 of \$152,792,695. This increase is largely in materials for manufacture, and is in response to the rapid development of manufacturing in the United States. While there was imported for use in manufactures in 1900 material to the value of \$79,768,972 in excess of 1899, it is reassuring to observe that there is a tendency toward decrease in the importation of articles manufactured ready for consumption, which in 1900 formed 15.17 per cent of the total imports, against 15.54 per cent in 1899 and 21.09 per cent in 1896.

I recommend that the Congress at its present session reduce the internal-revenue taxes imposed to meet the expenses of the war with Spain in the sum of thirty million dollars. This reduction should be secured by the remission of those taxes which experience has shown to be the most burdensome to the industries of the people.

I specially urge that there be included in whatever reduction is made the legacy tax on bequests for public uses of a literary, educational, or charitable character.

American vessels during the past three years have carried about 9 per cent of our exports and imports. Foreign ships should carry the least, not the greatest, part of American trade. The remarkable growth of our steel industries, the progress of shipbuilding for the domestic trade, and our steadily maintained expenditures for the Navy have created an opportunity to place the United States in the first rank of commercial maritime powers.

Besides realizing a proper national aspiration this will mean the establishment and healthy growth along all our coasts of a dis-

tinctive national industry, expanding the field for the profitable employment of labor and capital. It will increase the transportation facilities and reduce freight charges on the vast volume of products brought from the interior to the seaboard for export, and will strengthen an arm of the national defense upon which the founders of the Government and their successors have relied. In again urging immediate action by the Congress on measures to promote American shipping and foreign trade, I direct attention to the recommendations on the subject in previous messages, and particularly to the opinion expressed in the Message of 1899:

"I am satisfied the judgment of the country favors the policy of aid to our merchant marine, which will broaden our commerce and markets and upbuild our sea-carrying capacity for the products of agriculture and manufacture, which, with the increase of our Navy, mean more work and wages to our countrymen, as well as a safeguard to American interests in every part of the world."

The attention of the Congress is invited to the recommendation of the Secretary of the Treasury in his Annual Report for legislation in behalf of the Revenue-Cutter Service, and favorable action is urged.

In my last annual message to the Congress I called attention to the necessity for early action to remedy such evils as might be found to exist in connection with combinations of capital organized into trusts, and again invite attention to my discussion of the subject at that time, which concluded with these words:

"It is apparent that uniformity of legislation upon this subject in the several States is much to be desired. It is to be hoped that such uniformity, founded in a wise and just discrimination between what is injurious and what is useful and necessary in business operations, may be obtained, and that means may be found for the Congress, within the limitations of its constitutional power, so to supplement an effective code of State legislation as to make a complete system of laws throughout the United States adequate to compel a general observance of the salutary rules to which I have referred."

"The whole question is so important and far-reaching that I am sure no part of it will be lightly considered, but every phase of it will have the studied deliberation of the Congress, resulting in wise and judicious action."

Restraint upon such combinations as are injurious and which are within Federal jurisdiction should be promptly applied by the Congress.

In my last annual message I dwelt at some length upon the condition of affairs in the Philippines. While seeking to impress upon you that the grave responsibility of the future government of those islands rests with the Congress of the United States, I abstained from recommending at that time a specific and final form of government for the territory actually held by the United States forces and in which as long as insurrection continues the military arm must necessarily be supreme. I stated my purpose, until the Congress shall have made the formal expression of its will, to use the authority vested in me by the Constitution and the statutes to uphold the sovereignty of the United States in those distant islands as in all other places where our flag rightfully floats, placing, to that end, at the disposal of the Army and Navy all the means which the liberality of the Congress and the people have provided. No contrary expression of the will of the Congress having been made, I have steadfastly pursued the purpose so declared, employing the civil arm as well toward the accomplishment of pacification and the institution of local governments within the lines of authority and law.

Progress in the hoped-for direction has been favorable. Our forces have successfully controlled the greater part of the islands, overcoming the organized forces of the insurgents and carrying order and administrative regularity to all quarters. What opposition remains is for the most part scattered, obeying no concerted plan of strategic action, operating only by the methods common to the traditions of guerrilla warfare, which, while ineffective to alter the general control now established, are still sufficient to beget insecurity among the populations that have felt the good results of our control and thus delay the conferment upon them of the fuller measures of local self-government, of education, and of industrial and agricultural development which we stand ready to give to them.

By the spring of this year the effective opposition of the dissatisfied Tagals to the authority of the United States was virtually ended, thus opening the door for the extension of a stable administration over much of the territory of the Archipelago. Desiring to bring this about, I appointed in March last a civil Commission composed of the Hon. William H. Taft, of Ohio; Prof. Dean C. Worcester, of Michigan; the Hon. Luke I. Wright, of Tennessee; the Hon. Henry C. Ide, of Vermont, and Prof. Bernard Moses, of California. The aims of their mission and the scope of their authority are clearly set forth in my instructions of April 7, 1900, addressed to the Secretary of War to be transmitted to them:

"In the message transmitted to the Congress on the 5th of

December, 1899, I said, speaking of the Philippine Islands: 'As long as the insurrection continues the military arm must necessarily be supreme. But there is no reason why steps should not be taken from time to time to inaugurate governments essentially popular in their form as fast as territory is held and controlled by our troops. To this end I am considering the advisability of the return of the commission, or such of the members thereof as can be secured, to aid the existing authorities and facilitate this work throughout the islands.'

"To give effect to the intention thus expressed, I have appointed Hon. William H. Taft, of Ohio; Prof. Dean C. Worcester, of Michigan; Hon. Luke I. Wright, of Tennessee; Hon. Henry C. Ide, of Vermont, and Prof. Bernard Moses, of California, Commissioners to the Philippine Islands to continue and perfect the work of organizing and establishing civil government already commenced by the military authorities, subject in all respects to any laws which the Congress may hereafter enact.

"The Commissioners named will meet and act as a board, and the Hon. William H. Taft is designated as president of the board. It is probable that the transfer of authority from military commanders to civil officers will be gradual and will occupy a considerable period. Its successful accomplishment and the maintenance of peace and order in the meantime will require the most perfect cooperation between the civil and military authorities in the island, and both should be directed during the transition period by the same Executive Department. The commission will therefore report to the Secretary of War, and all their action will be subject to your approval and control.

"You will instruct the commission to proceed to the city of Manila, where they will make their principal office, and to communicate with the military governor of the Philippine Islands, whom you will at the same time direct to render to them every assistance within his power in the performance of their duties. Without hampering them by too specific instructions, they should in general be enjoined, after making themselves familiar with the conditions and needs of the country, to devote their attention in the first instance to the establishment of municipal governments, in which the natives of the islands, both in the cities and in the rural communities, shall be afforded the opportunity to manage their own local affairs to the fullest extent of which they are capable and subject to the least degree of supervision and control which a careful study of their capacities and observation of the workings of native control show to be consistent with the maintenance of law, order, and loyalty.

"The next subject in order of importance should be the organization of government in the larger administrative divisions corresponding to counties, departments, or provinces, in which the common interests of many or several municipalities falling within the same tribal lines, or the same natural geographical limits, may best be subserved by a common administration. Whenever the commission is of the opinion that the condition of affairs in the islands is such that the central administration may safely be transferred from military to civil control they will report that conclusion to you, with their recommendations as to the form of central government to be established for the purpose of taking over the control.

"Beginning with the 1st day of September, 1900, the authority to exercise, subject to my approval, through the Secretary of War, that part of the power of government in the Philippine Islands which is of a legislative nature is to be transferred from the military governor of the islands to this commission, to be thereafter exercised by them in the place and stead of the military governor, under such rules and regulations as you shall prescribe, until the establishment of the civil central government for the islands contemplated in the last foregoing paragraph, or until Congress shall otherwise provide. Exercise of this legislative authority will include the making of rules and orders, having the effect of law, for the raising of revenue by taxes, customs duties, and imposts; the appropriation and expenditure of public funds of the islands; the establishment of an educational system throughout the islands; the establishment of a system to secure an efficient civil service; the organization and establishment of courts; the organization and establishment of municipal and departmental governments, and all other matters of a civil nature for which the military governor is now competent to provide by rules or orders of a legislative character.

"The commission will also have power during the same period to appoint to office such officers under the judicial, educational, and civil-service systems and in the municipal and departmental governments as shall be provided for. Until the complete transfer of control the military governor will remain the chief executive head of the government of the islands, and will exercise the executive authority now possessed by him and not herein expressly assigned to the commission, subject, however, to the rules and orders enacted by the commission in the exercise of the legislative powers conferred upon them. In the meantime the municipal and departmental governments will continue to report to the

military governor and be subject to his administrative supervision and control, under your direction, but that supervision and control will be confined within the narrowest limits consistent with the requirement that the powers of government in the municipalities and departments shall be honestly and effectively exercised and that law and order and individual freedom shall be maintained.

"All legislative rules and orders, establishments of government, and appointments to office by the commission will take effect immediately, or at such times as they shall designate, subject to your approval and action upon the coming in of the commission's reports, which are to be made from time to time as their action is taken. Wherever civil governments are constituted under the direction of the commission such military posts, garrisons, and forces will be continued for the suppression of insurrection and brigandage and the maintenance of law and order as the military commander shall deem requisite, and the military forces shall be at all times subject, under his orders, to the call of the civil authorities for the maintenance of law and order and the enforcement of their authority.

"In the establishment of municipal governments the commission will take as the basis of their work the governments established by the military governor under his order of August 8, 1899, and under the report of the board constituted by the military governor by his order of January 29, 1900, to formulate and report a plan of municipal government, of which His Honor Cayetano Arellano, President of the Audiencia, was chairman, and they will give to the conclusions of that board the weight and consideration which the high character and distinguished abilities of its members justify.

"In the constitution of departmental or provincial governments they will give especial attention to the existing government of the island of Negros, constituted, with the approval of the people of that island, under the order of the military governor of July 22, 1899, and after verifying, so far as may be practicable, the reports of the successful working of that government, they will be guided by the experience thus acquired so far as it may be applicable to the condition existing in other portions of the Philippines. They will avail themselves, to the fullest degree practicable, of the conclusions reached by the previous commission to the Philippines.

"In the distribution of powers among the governments organized by the commission, the presumption is always to be in favor of the smaller subdivision, so that all the powers which can properly be exercised by the municipal government shall be vested in that government, and all the powers of a more general character which can be exercised by the departmental government shall be vested in that government, and so that in the governmental system, which is the result of the process, the central government of the islands, following the example of the distribution of the powers between the States and the National Government of the United States, shall have no direct administration except of matters of purely general concern, and shall have only such supervision and control over local governments as may be necessary to secure and enforce faithful and efficient administration by local officers.

"The many different degrees of civilization and varieties of custom and capacity among the people of the different islands preclude very definite instruction as to the part which the people shall take in the selection of their own officers; but these general rules are to be observed: That in all cases the municipal officers, who administer the local affairs of the people, are to be selected by the people, and that wherever officers of more extended jurisdiction are to be selected in any way natives of the islands are to be preferred, and if they can be found competent and willing to perform the duties, they are to receive the offices in preference to any others.

"It will be necessary to fill some offices for the present with Americans which after a time may well be filled by natives of the islands. As soon as practicable a system for ascertaining the merit and fitness of candidates for civil office should be put in force. An indispensable qualification for all offices and positions of trust and authority in the islands must be absolute and unconditional loyalty to the United States, and absolute and unhampered authority and power to remove and punish any officer deviating from that standard must at all times be retained in the hands of the central authority of the islands.

"In all the forms of government and administrative provisions which they are authorized to prescribe the commission should bear in mind that the government which they are establishing is designed not for our satisfaction, or for the expression of our theoretical views, but for the happiness, peace, and prosperity of the people of the Philippine Islands, and the measures adopted should be made to conform to their customs, their habits, and ever their prejudices, to the fullest extent consistent with the accomplishment of the indispensable requisites of just and effective government.

"At the same time the commission should bear in mind, and

the people of the islands should be made plainly to understand, that there are certain great principles of government which have been made the basis of our governmental system which we deem essential to the rule of law and the maintenance of individual freedom, and of which they have, unfortunately, been denied the experience possessed by us; that there are also certain practical rules of government which we have found to be essential to the preservation of these great principles of liberty and law, and that these principles and these rules of government must be established and maintained in their islands for the sake of their liberty and happiness, however much they may conflict with the customs or laws of procedure with which they are familiar.

"It is evident that the most enlightened thought of the Philippine Islands fully appreciates the importance of these principles and rules, and they will inevitably within a short time command universal assent. Upon every division and branch of the government of the Philippines, therefore, must be imposed these inviolable rules:

"That no person shall be deprived of life, liberty, or property without due process of law; that private property shall not be taken for public use without just compensation; that in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense; that excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted; that no person shall be put twice in jeopardy for the same offense, or be compelled in any criminal case to be a witness against himself; that the right to be secure against unreasonable searches and seizures shall not be violated; that neither slavery nor involuntary servitude shall exist except as a punishment for crime; that no bill of attainder or ex post facto law shall be passed; that no law shall be passed abridging the freedom of speech or of the press, or the rights of the people to peaceably assemble and petition the Government for a redress of grievances; that no law shall be made respecting an establishment of religion, or prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed.

"It will be the duty of the commission to make a thorough investigation into the titles to the large tracts of land held or claimed by individuals or by religious orders; into the justice of the claims and complaints made against such landholders by the people of the island or any part of the people, and to seek by wise and peaceable measures a just settlement of the controversies and redress of wrongs which have caused strife and bloodshed in the past. In the performance of this duty the commission is enjoined to see that no injustice is done; to have regard for substantial rights and equity, disregarding technicalities so far as substantial right permits, and to observe the following rules:

"That the provision of the treaty of Paris pledging the United States to the protection of all rights of property in the islands, and as well the principle of our own Government which prohibits the taking of private property without due process of law, shall not be violated; that the welfare of the people of the islands, which should be a paramount consideration, shall be attained consistently with this rule of property right; that if it becomes necessary for the public interest of the people of the islands to dispose of claims to property which the commission finds to be not lawfully acquired and held disposition shall be made thereof by due legal procedure, in which there shall be full opportunity for fair and impartial hearing and judgment; that if the same public interests require the extinguishment of property rights lawfully acquired and held due compensation shall be made out of the public treasury therefor; that no form of religion and no minister of religion shall be forced upon any community or upon any citizen of the islands; that, upon the other hand, no minister of religion shall be interfered with or molested in following his calling, and that the separation between state and church shall be real, entire, and absolute.

"It will be the duty of the commission to promote and extend, and, as they find occasion, to improve, the system of education already inaugurated by the military authorities. In doing this they should regard as of first importance the extension of a system of primary education which shall be free to all, and which shall tend to fit the people for the duties of citizenship and for the ordinary avocations of a civilized community. This instruction should be given in the first instance in every part of the islands in the language of the people. In view of the great number of languages spoken by the different tribes, it is especially important to the prosperity of the islands that a common medium of communication may be established, and it is obviously desirable that this medium should be the English language. Especial attention should be at once given to affording full opportunity to all the people of the islands to acquire the use of the English language.

"It may be well that the main changes which should be made in the system of taxation and in the body of the laws under which the people are governed, except such changes as have already been made by the military government, should be relegated to the civil government which is to be established under the auspices of the commission. It will, however, be the duty of the commission to inquire diligently as to whether there are any further changes which ought not to be delayed, and if so, they are authorized to make such changes, subject to your approval. In doing so they are to bear in mind that taxes which tend to penalize or repress industry and enterprise are to be avoided; that provisions for taxation should be simple, so that they may be understood by the people; that they should affect the fewest practicable subjects of taxation which will serve for the general distribution of the burden.

"The main body of the laws which regulate the rights and obligations of the people should be maintained with as little interference as possible. Changes made should be mainly in procedure, and in the criminal laws to secure speedy and impartial trials, and at the same time effective administration and respect for individual rights.

"In dealing with the uncivilized tribes of the islands the commission should adopt the same course followed by Congress in permitting the tribes of our North American Indians to maintain their tribal organization and government, and under which many of those tribes are now living in peace and contentment, surrounded by a civilization to which they are unable or unwilling to conform. Such tribal governments should, however, be subjected to wise and firm regulation, and, without undue or petty interference, constant and active effort should be exercised to prevent barbarous practices and introduce civilized customs.

"Upon all officers and employees of the United States, both civil and military, should be impressed a sense of the duty to observe not merely the material but the personal and social rights of the people of the islands, and to treat them with the same courtesy and respect for their personal dignity which the people of the United States are accustomed to require from each other.

"The articles of capitulation of the city of Manila on the 13th of August, 1898, concluded with these words:

"This city, its inhabitants, its churches and religious worship, its educational establishments, and its private property of all descriptions, are placed under the special safeguard of the faith and honor of the American Army."

"I believe that this pledge has been faithfully kept. As high and sacred an obligation rests upon the Government of the United States to give protection for property and life, civil and religious freedom, and wise, firm, and unselfish guidance in the paths of peace and prosperity to all the people of the Philippine Islands. I charge this commission to labor for the full performance of this obligation, which concerns the honor and conscience of their country, in the firm hope that through their labors all the inhabitants of the Philippine Islands may come to look back with gratitude to the day when God gave victory to American arms at Manila and set their land under the sovereignty and the protection of the people of the United States."

Coincidentally with the entrance of the commission upon its labors I caused to be issued by General MacArthur, the military governor of the Philippines, on June 21, 1900, a proclamation of amnesty in generous terms, of which many of the insurgents took advantage, among them a number of important leaders.

This Commission, composed of eminent citizens representing the diverse geographical and political interests of the country, and bringing to their task the ripe fruits of long and intelligent service in educational, administrative, and judicial careers, made great progress from the outset. As early as August 21, 1900, it submitted a preliminary report, which will be laid before the Congress, and from which it appears that already the good effects of returning order are felt; that business, interrupted by hostilities, is improving as peace extends; that a larger area is under sugar cultivation than ever before; that the customs revenues are greater than at any time during the Spanish rule; that economy and efficiency in the military administration have created a surplus fund of \$6,000,000, available for needed public improvements; that a stringent civil-service law is in preparation; that railroad communications are expanding, opening up rich districts, and that a comprehensive scheme of education is being organized.

Later reports from the commission show yet more encouraging advance toward insuring the benefits of liberty and good government to the Filipinos, in the interest of humanity and with the aim of building up an enduring, self-supporting, and self-administering community in those far eastern seas. I would impress upon the Congress that whatever legislation may be enacted in respect to the Philippine Islands should be along these generous lines. The fortune of war has thrown upon this nation an unsought trust which should be unselfishly discharged, and devolved upon this Government a moral as well as material responsibility toward these millions whom we have freed from an oppressive yoke.

I have on another occasion called the Filipinos "the wards of the nation." Our obligation as guardian was not lightly assumed; it must not be otherwise than honestly fulfilled, aiming first of all to benefit those who have come under our fostering care. It is our duty so to treat them that our flag may be no less beloved in the mountains of Luzon and the fertile zones of Mindanao and Negros than it is at home; that there as here it shall be the revered symbol of liberty, enlightenment, and progress in every avenue of development.

The Filipinos are a race quick to learn and to profit by knowledge. He would be rash who, with the teachings of contemporaneous history in view, would fix a limit to the degree of culture and advancement yet within the reach of these people if our duty toward them be faithfully performed.

The civil government of Porto Rico provided for by the act of the Congress approved April 12, 1900, is in successful operation. The courts have been established. The governor and his associates, working intelligently and harmoniously, are meeting with commendable success.

On the 6th of November a general election was held in the island for members of the Legislature, and the body elected has been called to convene on the first Monday of December.

I recommend that legislation be enacted by the Congress conferring upon the Secretary of the Interior supervision over the public lands in Porto Rico, and that he be directed to ascertain the location and quantity of lands the title to which remained in the Crown of Spain at the date of cession of Porto Rico to the United States, and that appropriations necessary for surveys be made, and that the methods of the disposition of such lands be prescribed by law.

On the 25th of July, 1900, I directed that a call be issued for an election in Cuba for members of a constitutional convention to frame a constitution as a basis for a stable and independent government in the island. In pursuance thereof the military governor issued the following instructions:

"Whereas the Congress of the United States by its joint resolution of April 20, 1898, declared—

"That the people of the island of Cuba are, and of right ought to be, free and independent.

"That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people;

"And whereas the people of Cuba have established municipal governments, deriving their authority from the suffrages of the people given under just and equal laws, and are now ready, in like manner, to proceed to the establishment of a general government which shall assume and exercise sovereignty, jurisdiction, and control over the island:

"Therefore, it is ordered that a general election be held in the island of Cuba on the third Saturday of September, in the year nineteen hundred, to elect delegates to a convention to meet in the city of Havana at twelve o'clock noon on the first Monday of November, in the year nineteen hundred, to frame and adopt a constitution for the people of Cuba, and as a part thereof to provide for and agree with the Government of the United States upon the relations to exist between that Government and the government of Cuba, and to provide for the election by the people of officers under such constitution and the transfer of government to the officers so elected.

"The election will be held in the several voting precincts of the island under, and pursuant to, the provisions of the electoral law of April 18, 1900, and the amendments thereof."

The election was held on the 15th of September, and the convention assembled on the 5th of November, 1900, and is now in session.

In calling the convention to order, the military governor of Cuba made the following statement:

"As military governor of the island, representing the President of the United States, I call this convention to order.

"It will be your duty, first, to frame and adopt a constitution for Cuba, and when that has been done to formulate what in your opinion ought to be the relations between Cuba and the United States.

"The Constitution must be adequate to secure a stable, orderly, and free government.

"When you have formulated the relations which in your opinion ought to exist between Cuba and the United States the Government of the United States will doubtless take such action on its part as shall lead to a final and authoritative agreement between the people of the two countries to the promotion of their common interests.

"All friends of Cuba will follow your deliberations with the deepest interest, earnestly desiring that you shall reach just conclusions, and that by the dignity, individual self-restraint, and wise conservatism which shall characterize your proceedings the capacity of the Cuban people for representative government may be signally illustrated.

"The fundamental distinction between true representative gov-

ernment and dictatorship is that in the former every representative of the people, in whatever office, confines himself strictly within the limits of his defined powers. Without such restraint there can be no free constitutional government.

"Under the order pursuant to which you have been elected and convened, you have no duty and no authority to take part in the present government of the island. Your powers are strictly limited by the terms of that order."

When the convention concludes its labors I will transmit to the Congress the constitution as framed by the convention for its consideration and for such action as it may deem advisable.

I renew the recommendation made in my special message of February 10, 1899, as to the necessity for cable communication between the United States and Hawaii, with extension to Manila. Since then circumstances have strikingly emphasized this need. Surveys have shown the entire feasibility of a chain of cables which at each stopping place shall touch on American territory, so that the system shall be under our own complete control. Manila once within telegraphic reach, connection with the systems of the Asiatic coast would open increased and profitable opportunities for a more direct cable route from our shores to the Orient than is now afforded by the trans-Atlantic, continental, and trans-Asian lines. I urge attention to this important matter.

The present strength of the Army is 100,000 men—65,000 regulars and 35,000 volunteers. Under the act of March 2, 1899, on the 30th of June next the present volunteer force will be discharged and the Regular Army will be reduced to 2,447 officers and 29,025 enlisted men.

In 1888 a board of officers convened by President Cleveland adopted a comprehensive scheme of coast-defense fortifications, which involved the outlay of something over one hundred million dollars. This plan received the approval of the Congress, and since then regular appropriations have been made and the work of fortification has steadily progressed.

More than sixty millions of dollars have been invested in a great number of forts and guns, with all the complicated and scientific machinery and electrical appliances necessary for their use. The proper care of this defensive machinery requires men trained in its use. The number of men necessary to perform this duty alone is ascertained by the War Department, at a minimum allowance, to be 18,420.

There are fifty-eight or more military posts in the United States other than the coast-defense fortifications.

The number of these posts is being constantly increased by the Congress. More than \$22,000,000 have been expended in building and equipment, and they can only be cared for by the Regular Army. The posts now in existence and others to be built provide for accommodations for, and if fully garrisoned require, 26,000 troops. Many of these posts are along our frontier or at important strategic points, the occupation of which is necessary.

We have in Cuba between 5,000 and 6,000 troops. For the present our troops in that island can not be withdrawn or materially diminished, and certainly not until the conclusion of the labors of the constitutional convention now in session and a government provided by the new constitution shall have been established and its stability assured.

In Porto Rico we have reduced the garrisons to 1,636, which includes 879 native troops. There is no room for further reduction here.

We will be required to keep a considerable force in the Philippine Islands for some time to come. From the best information obtainable we will need there for the immediate future from 45,000 to 60,000 men. I am sure the number may be reduced as the insurgents shall come to acknowledge the authority of the United States, of which there are assuring indications.

It must be apparent that we will require an army of about 60,000, and that during present conditions in Cuba and the Philippines the President should have authority to increase the force to the present number of 100,000. Included in this number authority should be given to raise native troops in the Philippines up to 15,000, which the Taft Commission believe will be more effective in detecting and suppressing guerrillas, assassins, and lardones than our own soldiers.

The full discussion of this subject by the Secretary of War in his annual report is called to your earnest attention.

I renew the recommendation made in my last Annual Message that the Congress provide a special medal of honor for the volunteers, regulars, sailors, and marines on duty in the Philippines who voluntarily remained in the service after their terms of enlistment had expired.

I favor the recommendation of the Secretary of War for the detail of officers from the line of the Army when vacancies occur in the Adjutant-General's Department, Inspector-General's Department, Quartermaster's Department, Subsistence Department, Pay Department, Ordnance Department, and Signal Corps.

The Army can not be too highly commended for its faithful and effective service in active military operations in the field and the difficult work of civil administration.

The continued and rapid growth of the postal service is a sure index of the great and increasing business activity of the country. Its most striking new development is the extension of rural free delivery. This has come almost wholly within the last year. At the beginning of the fiscal year 1899-1900 the number of routes in operation was only 391, and most of these had been running less than twelve months. On the 15th of November, 1900, the number had increased to 2,614, reaching into forty-four States and Territories, and serving a population of 1,801,524. The number of applications now pending and awaiting action nearly equals all those granted up to the present time, and by the close of the current fiscal year about 4,000 routes will have been established, providing for the daily delivery of mails at the scattered homes of about three and a half millions of rural population.

This service ameliorates the isolation of farm life, conduces to good roads, and quickens and extends the dissemination of general information. Experience thus far has tended to allay the apprehension that it would be so expensive as to forbid its general adoption or make it a serious burden. Its actual application has shown that it increases postal receipts, and can be accompanied by reductions in other branches of the service, so that the augmented revenues and the accomplished savings together materially reduce the net cost. The evidences which point to these conclusions are presented in detail in the annual report of the Postmaster-General, which, with its recommendations, is commended to the consideration of the Congress. The full development of this special service, however, requires such a large outlay of money that it should be undertaken only after a careful study and thorough understanding of all that it involves.

Very efficient service has been rendered by the Navy in connection with the insurrection in the Philippines and the recent disturbance in China.

A very satisfactory settlement has been made of the long-pending question of the manufacture of armor plate. A reasonable price has been secured and the necessity for a Government armor plant avoided.

I approve of the recommendations of the Secretary for new vessels and for additional officers and men which the required increase of the Navy makes necessary. I commend to the favorable action of the Congress the measure now pending for the erection of a statue to the memory of the late Admiral David D. Porter. I commend also the establishment of a national naval reserve and of the grade of vice-admiral. Provision should be made, as recommended by the Secretary, for suitable rewards for special merit. Many officers who rendered the most distinguished service during the recent war with Spain have received in return no recognition from the Congress.

The total area of public lands as given by the Secretary of the Interior is approximately 1,071,881,662 acres, of which 917,135,880 acres are undisposed of and 154,745,782 acres have been reserved for various purposes. The public lands disposed of during the year amount to 13,453,887.96 acres, including 62,423.09 acres of Indian lands, an increase of 4,271,474.80 over the preceding year. The total receipts from the sale of public lands during the fiscal year were \$4,379,758.10, an increase of \$1,809,620.76 over the preceding year.

The results obtained from our forest policy have demonstrated its wisdom and the necessity in the interest of the public for its continuance and increased appropriations by the Congress for the carrying on of the work. On June 30, 1900, there were thirty-seven forest reserves, created by Presidential proclamations under section 24 of the act of March 3, 1891, embracing an area of 46,425,529 acres.

During the past year the Olympic Reserve, in the State of Washington, was reduced 265,040 acres, leaving its present area at 1,923,840 acres. The Prescott Reserve, in Arizona, was increased from 10,240 acres to 423,680 acres, and the Big Horn Reserve, in Wyoming, was increased from 1,127,680 acres to 1,180,800 acres. A new reserve, the Santa Ynez, in California, embracing an area of 145,000 acres, was created during this year. On October 10, 1900, the Crow Creek Forest Reserve, in Wyoming, was created, with an area of 56,320 acres.

At the end of the fiscal year there were on the pension roll 993,529 names, a net increase of 2,010 over the fiscal year 1899. The number added to the rolls during the year was 45,344. The amount disbursed for Army pensions during the year was \$134,700,597.24, and for Navy pensions \$3,761,533.41, a total of \$138,462,130.65, leaving an unexpended balance of \$5,542,768.25 to be covered into the Treasury, which shows an increase over the previous year's expenditure of \$107,077.70. There were 684 names added to the rolls during the year by special acts passed at the first session of the Fifty-sixth Congress.

The act of May 9, 1900, among other things provides for an extension of income to widows pensioned under said act to \$250 per annum. The Secretary of the Interior believes that by the operations of this act the number of persons pensioned under it will increase and the increased annual payment for pensions will be between \$3,000,000 and \$4,000,000.

The Government justly appreciates the services of its soldiers

and sailors by making pension payments liberal beyond precedent to them, their widows and orphans.

There were 36,540 letters patent granted, including reissues and designs, during the fiscal year ended June 30, 1900; 1,660 trademarks, 682 labels, and 93 prints registered. The number of patents which expired was 19,988. The total receipts for patents were \$1,358,228.35. The expenditures were \$1,247,827.58, showing a surplus of \$110,400.77.

The attention of the Congress is called to the report of the Secretary of the Interior touching the necessity for the further establishment of schools in the Territory of Alaska, and favorable action is invited thereon.

Much interesting information is given in the report of the governor of Hawaii as to the progress and development of the islands during the period from July 7, 1898, the date of the approval of the joint resolution of the Congress providing for their annexation, up to April 30, 1900, the date of the approval of the act providing a government for the Territory, and thereafter.

The last Hawaiian census, taken in the year 1896, gives a total population of 109,020, of which 31,019 were native Hawaiians. The number of Americans reported was 8,485. The results of the Federal census, taken this year, show the islands to have a total population of 154,001, showing an increase over that reported in 1896 of 44,981, or 41.2 per cent.

There has been marked progress in the educational, agricultural, and railroad development of the islands.

In the Territorial act of April 30, 1900, section 7 of said act repeals chapter 34 of the civil laws of Hawaii, whereby the Government was to assist in encouraging and developing the agricultural resources of the Republic, especially irrigation. The governor of Hawaii recommends legislation looking to the development of such water supply as may exist on the public lands, with a view of promoting land settlement. The earnest consideration of the Congress is invited to this important recommendation and others, as embodied in the report of the Secretary of the Interior.

The Director of the Census states that the work in connection with the Twelfth Census is progressing favorably. This national undertaking, ordered by the Congress each decade, has finally resulted in the collection of an aggregation of statistical facts to determine the industrial growth of the country, its manufacturing and mechanical resources, its richness in mines and forests, the number of its agriculturists, their farms and products, its educational and religious opportunities, as well as questions pertaining to sociological conditions.

The labors of the officials in charge of the Bureau indicate that the four important and most-desired subjects, namely, population, agricultural, manufacturing, and vital statistics, will be completed within the limit prescribed by the law of March 3, 1899.

The field work incident to the above inquiries is now practically finished, and as a result the population of the States and Territories, including the Hawaiian Islands and Alaska, has been announced. The growth of population during the last decade amounts to over 13,000,000, a greater numerical increase than in any previous census in the history of the country.

Bulletins will be issued as rapidly as possible giving the population by States and Territories, by minor civil divisions. Several announcements of this kind have already been made, and it is hoped that the list will be completed by January 1. Other bulletins giving the results of the manufacturing and agricultural inquiries will be given to the public as rapidly as circumstances will admit.

The Director, while confident of his ability to complete the different branches of the undertaking in the allotted time, finds himself embarrassed by the lack of a trained force properly equipped for statistical work, thus raising the question whether in the interest of economy and a thorough execution of the census work there should not be retained in the Government employ a certain number of experts, not only to aid in the preliminary organization prior to the taking of the decennial census, but in addition to have the advantage in the field and office work of the Bureau of trained assistants to facilitate the early completion of this enormous undertaking.

I recommend that the Congress at its present session apportion representation among the several States as provided by the Constitution.

The Department of Agriculture has been extending its work during the past year, reaching farther for new varieties of seeds and plants; cooperating more fully with the States and Territories in research along useful lines; making progress in meteorological work relating to lines of wireless telegraphy and forecasts for ocean-going vessels; continuing inquiry as to animal disease; looking into the extent and character of food adulteration; outlining plans for the care, preservation, and intelligent harvesting of our woodlands; studying soils that producers may cultivate with better knowledge of conditions, and helping to clothe the desert places with grasses suitable to our arid regions. Our island possessions are being considered that their peoples may be helped to produce the tropical products now so extensively brought into the

United States. Inquiry into methods of improving our roads has been active during the year; help has been given to many localities, and scientific investigation of material in the States and Territories has been inaugurated. Irrigation problems in our semi-arid regions are receiving careful and increased consideration.

An extensive exhibit at Paris of the products of agriculture has made the peoples of many countries more familiar with the varied products of our fields and their comparative excellence.

The collection of statistics regarding our crops is being improved and sources of information are being enlarged, to the end that producers may have the earliest advices regarding crop conditions. There has never been a time when those for whom it was established have shown more appreciation of the services of the Department.

In my annual message of December 5, 1898, I called attention to the necessity for some amendment of the alien-contract law. There still remain important features of the rightful application of the eight-hour law for the benefit of labor and of the principle of arbitration, and I again commend these subjects to the careful attention of the Congress.

That there may be secured the best service possible in the Philippine Islands, I have issued, under date of November 30, 1900, the following order:

"The United States Civil Service Commission is directed to render such assistance as may be practicable to the Civil Service Board, created under the act of the United States Philippine Commission, for the establishment and maintenance of an honest and efficient civil service in the Philippine Islands, and for that purpose to conduct examinations for the civil service of the Philippine Islands upon the request of the Civil Service Board of said islands, under such regulations as may be agreed upon by the said Board and the said United States Civil Service Commission."

The Civil Service Commission is greatly embarrassed in its work for want of an adequate permanent force for clerical and other assistance. Its needs are fully set forth in its report. I invite attention to the report, and especially urge upon the Congress that this important bureau of the public service, which passes upon the qualifications and character of so large a number of the officers and employees of the Government, should be supported by all needed appropriations to secure promptness and efficiency.

I am very much impressed with the statement made by the heads of all the Departments of the urgent necessity of a hall of public records. In every departmental building in Washington, so far as I am informed, the space for official records is not only exhausted, but the walls of rooms are lined with shelves, the middle floor space of many rooms is filled with file cases, and garrets and basements, which were never intended and are unfitted for their accommodation, are crowded with them. Aside from the inconvenience, there is great danger, not only from fire, but from the weight of these records upon timbers not intended for their support. There should be a separate building especially designed for the purpose of receiving and preserving the annually accumulating archives of the several Executive Departments. Such a hall need not be a costly structure, but should be so arranged as to admit of enlargement from time to time. I urgently recommend that the Congress take early action in this matter.

I transmit to the Congress a resolution adopted at a recent meeting of the American Bar Association concerning the proposed celebration of John Marshall Day, February 4, 1901. Fitting exercises have been arranged, and it is earnestly desired by the committee that the Congress may participate in this movement to honor the memory of the great jurist.

The transfer of the Government to this city is a fact of great historical interest. Among the people there is a feeling of genuine pride in the Capital of the Republic.

It is a matter of interest in this connection that in 1800 the population of the District of Columbia was 14,093; to-day it is 278,718. The population of the city of Washington was then 3,210; to-day it is 218,196.

The Congress having provided for "an appropriate national celebration of the Centennial Anniversary of the Establishment of the Seat of Government in the District of Columbia," the committees authorized by it have prepared a programme for the 12th of December, 1900, which date has been selected as the anniversary day. Deep interest has been shown in the arrangements for the celebration by the members of the committees of the Senate and House of Representatives, the committee of Governors appointed by the President, and the committees appointed by the citizens and inhabitants of the District of Columbia generally. The programme, in addition to a reception and other exercises at the Executive Mansion, provides commemorative exercises to be held jointly by the Senate and House of Representatives in the Hall of the House of Representatives, and a reception in the evening at the Corcoran Gallery of Art in honor of the governors of the States and Territories.

In our great prosperity we must guard against the danger it invites of extravagance in Government expenditures and appropriations; and the chosen representatives of the people will, I

doubt not, furnish an example in their legislation of that wise economy which in a season of plenty husbands for the future. In this era of great business activity and opportunity caution is not untimely. It will not abate, but strengthen, confidence. It will not retard, but promote, legitimate industrial and commercial expansion. Our growing power brings with it temptations and perils requiring constant vigilance to avoid. It must not be used to invite conflicts, nor for oppression, but for the more effective maintenance of those principles of equality and justice upon which our institutions and happiness depend. Let us keep always in mind that the foundation of our Government is liberty; its superstructure peace.

WILLIAM MCKINLEY.

EXECUTIVE MANSION, December 3, 1900.

The PRESIDENT pro tempore. In the absence of objection, the message, with the accompanying papers, will be laid upon the table and printed for the use of the Senate.

DEATH OF SENATORS GEAR AND DAVIS.

Mr. ALLISON. Mr. President, it is with deep regret and profound sorrow that I announce to the Senate the death of my late colleague, Hon. JOHN HENRY GEAR, which occurred in this city on the 14th day of July last. At some future time, of which I shall give due notice, I desire to afford the Senate an opportunity of paying tribute to the memory of Senator GEAR and his long and distinguished services to his State and his country. At this time I beg leave to offer the resolutions which I send to the desk, and for which I ask immediate consideration.

The PRESIDENT pro tempore. The resolutions submitted by the Senator from Iowa will be read.

The Secretary read the resolutions, as follows:

Resolved, That the Senate has heard with deep regret and profound sorrow of the death of the Hon. JOHN HENRY GEAR, late a Senator from the State of Iowa.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

The resolutions were considered by unanimous consent, and unanimously agreed to.

Mr. NELSON. Mr. President, it is my sad duty to announce to the Senate the death of my late colleague, Senator CUSHMAN K. DAVIS, at his home in St. Paul, Minn., on the 27th of November last, at 9 o'clock in the evening, after a lingering illness of more than two months. In his death our nation has lost one of its foremost public servants and Minnesota one of the noblest and best of her sons.

On some future occasion I shall ask the Senate to set aside a day for the consideration of tributes to the memory of my deceased colleague. On this occasion I offer the resolutions which I send to the desk, and ask for their immediate consideration.

The PRESIDENT pro tempore. The resolutions submitted by the Senator from Minnesota will be read.

The Secretary read the resolutions, as follows:

Resolved, That the Senate has heard with deep regret and profound sorrow of the death of the Hon. CUSHMAN KELLOGG DAVIS, late a Senator from the State of Minnesota.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

The resolutions were considered by unanimous consent, and unanimously agreed to.

Mr. ALLISON. Mr. President, I offer an additional resolution, which I ask to have read and considered at this time.

The PRESIDENT pro tempore. The resolution submitted by the Senator from Iowa will be read.

The Secretary read the resolution, as follows:

Resolved, That as a further mark of respect to the memory of the deceased, Hon. JOHN HENRY GEAR and Hon. CUSHMAN KELLOGG DAVIS, the Senate do now adjourn.

The resolution was unanimously agreed to; and (at 3 o'clock and 46 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, December 4, 1900, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, December 3, 1900.

This being the day designated by the Constitution, the members of the House of Representatives assembled in their Hall for the second session of the Fifty-sixth Congress.

At 12 o'clock noon, the Speaker, Hon. DAVID B. HENDERSON, a Representative from the State of Iowa, called the House to order.

The Chaplain, Rev. HENRY N. COUDEN, offered the following prayer:

Infinite Spirit, God over all, through whose eternal energy all things proceed, and by whose infinite power all things at last must fulfill their appointed destiny, humbly and most reverently we bow before Thee.

Let Thy blessings descend upon us and so move upon the hearts of these Thy servants, that all the legislative acts of this session of Congress may be in accordance with Thy will. To this end encourage every noble endeavor and discourage all unworthiness.